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Columbus Business Retention and Expansion (BR&E) Strategies Program

Summary Report



Columbus Business Retention and Expansion (BR&E) Program

SUMMARY REPORT

April 2015

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Sponsors:

City of Columbus
Columbus Economic Development Authority



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  Columbus BR&E

EXECUTIVE SUMMARY - COLUMBUS BUSINESS RETENTION AND EXPANSION PROGRAM

The Columbus BR&E Program of 2013-2014 took an innovative approach in order to build awareness of issues that face local businesses in the community. Instead of sending visitors to individual businesses, which is the common BR&E practice, this project convened business owners at City Hall in a series of focus group discussions during fall of 2013. The results were compiled and analyzed by University of Minnesota Extension to inform an economic development planning process. The BR&E action plan (see below, issued June 2014) is now guiding local leaders and community members in working together to provide solutions to business concerns.

Importance of BR&E

Communities recognize that helping existing businesses survive and grow is a vital economic development strategy. The Columbus Business Retention and Expansion Program (BR&E) is designed to understand the concerns of and assist local businesses. While attracting businesses from outside the community or encouraging new business start-ups are important components of any economic development strategy, research has shown that up to 86 percent of new jobs are created by businesses already in the community. Minnesota data from first quarter 2014 confirms that. It showed 85 percent of new jobs in the state were created by existing business, while the rest were created by new establishments.¹

Sponsorship

The Columbus BR&E Program was sponsored by the following organizations:

- The City of Columbus
- Columbus Economic Development Authority
- Connexus Energy
- Xcel Energy
- The University of Minnesota Extension

¹ Source: Minnesota DEED, QCEW program

History of the BR&E Project

In the fall of 2012, Connexus Energy and University of Minnesota Extension approached the City of Columbus about the possibility of conducting a Business Retention and Expansion (BR&E) project. While the city was interested and wanted to take full advantage of the opportunity, it was determined by city staff that Columbus would have difficulties providing a significant number of volunteers necessary to undertake business visits in a conventional BR&E visitation approach. After careful consideration, the City of Columbus, University of Minnesota Extension, and Connexus agreed that using focus groups would serve as a unique solution, and a project proposal was agreed to in July 2013.

Recruitment for Focus Groups

The recruitment of participating businesses was done by Elizabeth Mursko, Columbus City Administrator. She estimates this activity took approximately 40 hours in the fall. It is likely the participation rate by businesses would not have been nearly as strong without Elizabeth's name recognition and determined efforts to make this project a success. Unlike many consumer focus group research projects, none of the participants were offered any kind of gift or nominal token of appreciation for participating. However, meals were served since the meetings were conducted during breakfast or dinner time slots.

Businesses from commercially/ industrially zoned locations, as well as home-based locations were included, with about a 75/25 mix. Twenty-one businesses participated in a focus group. Considering about 80-100 businesses are known to be in Columbus, this is a significant cross-section of the city's business community.

Research Methods

Michael Darger and Joshua Hill, University of Minnesota Extension, acted as the research team. They developed and tested an interview guide for the confidential focus group sessions. They also served as moderator and note-taker for each of the four focus groups held between October and December 2013. The data was

- Appoint an EDA business liaison for the business community
 - Consider additional staffing for business marketing, recruiting, and retention
 - Review past efforts for a Northeast Metro area economic development collaborative
 - Evaluate additional marketing efforts for business retention and expansion
 - Create a Columbus community identity plan
 - Examine Tax Increment Financing and other development incentives for Lake Drive and the Freeway Corridor
2. Present a BRE Program summary to the business community at the 2014 Columbiz event
 3. Continue to work with the Minnesota Department of Transportation, Federal Highway Administration, Anoka County, Washington County, and the Metropolitan Council to complete the Interstate 35 design and replacement of the CSAH 23/TH 97 interchange in Columbus.
 4. Expand and update the existing development checklist to assist existing and new businesses in procedures involving zoning and permitting with the city, county, watersheds, federal agencies, and Metropolitan Council.
 5. Update and maintain a complete listing of all businesses, contacts, and services provided by Columbus businesses for marketing and distribution to all businesses.
 6. Work with landowners and realtors to maintain a single source, up-to-date listing of commercial and industrial properties available in Columbus.

BR&E Action Plan Process

The BR&E research report was presented and discussed with the BR&E Task Force and City staff in February 2014. Subsequently, the results were presented at the Columbiz event in April 2014. Also in April, Dean Johnson facilitated a joint meeting of the City's Economic Development Authority and Planning

Commission to consider the results and create a draft plan. The draft plan was presented and accepted by a joint session of the Planning Commission and City Council in May 2014.

FINAL BR&E ACTION PLAN

Priority 1 (immediate implementation)

- ✓ Re-evaluate TIF and other business incentives
- ✓ Update zoning and development checklist to assist businesses
- ✓ Continue I-35 interchange update coordination and legislative efforts
- ✓ Consider hiring city-wide business marketing consultant
- ✓ Develop joint city/private marketing strategies
- ✓ Continue annual Columbiz event
- ✓ Establish Lake Drive commercial and residential buffering concepts
- ✓ Compile and maintain business link and registry on city web site
- ✓ Create Columbus Identity Plan
- ✓ Re-examine housing/residential development strategies

Priority 2 (secondary implementation)

- ✓ Establish business community liaison
- ✓ Incorporate Action Plan into next Comprehensive Plan Update

PEOPLE IN THE COLUMBUS BR&E PROGRAM

Three groups were important to Columbus's success with the focus group BR&E project: the BR&E project coordinators, the BR&E task force, and the businesses that participated in focus groups.

BR&E Project Coordinators

| | |
|---------------------|--|
| Michael Darger | BR&E Program Director, University of Minnesota Extension |
| Joshua Hill | Graduate Research Assistant, University of Minnesota Extension |
| Elizabeth Mursko | Columbus City Administrator |
| Dean Johnson | Columbus City Planner |

BR&E Task Force

This group of area business, school, and community leaders helped plan the project and evaluate the results.

| | |
|--------------------------------|-------------------------------|
| Colleen Eddy | Forest Lake Chamber |
| Neil Fox | Columbus Elementary |
| Bruce Miller | MFC Properties |
| Dave Povolny | City of Columbus |
| Bruce Sayler/ Brian Burandt | Connexus Energy |
| Rhonda Siverajah | Anoka County |
| Lee Weigt | Olson Sewer & Excavating |
| Tracie Wilson | Running Aces Harness Track |

Businesses Participating in Focus Group Sessions

Twenty-one businesses participated in the BR&E process and this included 26 individuals from those companies. Their willingness to help the community understand their needs is greatly appreciated. Their comments are confidential, yet it is important to honor their participation by listing their names here:

Bergens Greenhouse
Bongard Company
Cemstone
Century Fence
Coates RV Trailers
County View Electric
Dunaway Construction
Forest Lake Trailer/Columbus Truck
Holiday
Independent Security Solutions
L & R Automotive
Mastell Bros
North Pine Aggregate
Olson's Sewer Service

Primerica
Running Aces Harness Park
Straightline Performance
TNC
Waldoch Craft and Custom
Waldoch Sports
Zac's Industrial Sewing

CREDITS

The Columbus EDA, Planning Commission, and City Council, in cooperation with city staff, adopted the BR&E Action Plan. This summary report was prepared by Michael Darger with the University of Minnesota Extension Center for Community Vitality.